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11 UNITED STATES DISTRICT COURT
12 SOUTHERN DISTRICT OF CALIFORNIA
13

14 LIFE TECHNOLOGIES
CORPORATION, APPLIED
15 BIOSYSTEMS, LLC and
INVITROGEN IP HOLDINGS,
16 INC.,

17 Plaintiffs,

18 v.

19 PROMEGA CORPORATION,
20 Defendant.
21

Case No. 2012-CV-2987 JAH KSC

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
DEFENDANT PROMEGA
CORPORATION'S MOTION TO
DISMISS FOR LACK OF SUBJECT
MATTER JURISDICTION**

Date: May 28, 2013

Time: 2:30 pm

Courtroom: 13B

Judge: Hon. John A. Houston
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TABLE OF CONTENTS

		Page(s)
1		
2		
3		
4	I. INTRODUCTION.....	1
5	II. BACKGROUND.....	1
6	A. The 1996 Patent Licensing Agreement and the '984	
7	Patent.....	2
8	B. The Arbitration Demand	2
9	III. ARGUMENT	4
10	A. Legal Standards.....	5
11	B. Count I of Plaintiffs' Complaint, Seeking a	
12	Declaration that the Parties' Licensing Dispute	
13	Should Be Resolved by Arbitration, Is Moot	6
14	C. Count II of Plaintiffs' Complaint, Seeking a	
15	Declaration That Plaintiffs' AuthentiFiler™	
16	Products Are Licensed Under the '984 Patent and	
17	Thus Do Not Infringe, Is Unripe for Review.....	8
18	D. This Court Should Exercise its Discretion to	
19	Decline to Hear Plaintiffs' Declaratory Judgment	
20	Claims	11
21	IV. CONCLUSION	13
22		
23		
24		
25		
26		
27		
28		

TABLE OF AUTHORITIES

PAGE(S)

CASES

<i>Addington v. US Airline Pilots Assoc.</i> , 606 F.3d 1174 (9th Cir. 2010).....	10, 11
<i>Aetna Life Ins. Co. v. Haworth</i> , 300 U.S. 227 (1937)	5
<i>Aydin Corp. v. Union of India</i> , 940 F.2d 527 (9th Cir. 1991).....	5, 10, 11
<i>Charles M. Brewer Ltd. Restated Pension Plan v. Reish Luftman McDaniel & Reicher PC</i> , No. CV-11-02363-PHX-FJM, 2012 WL 129808 (D. Ariz. Jan. 17, 2012)	9
<i>Colwell v. Dep't of Health & Human Servs.</i> , 558 F.3d 1112 (9th Cir. 2009).....	5
<i>Commc'n Workers of Am. v. S. Bell Tel. Co.</i> , 419 F.2d 1310 (5th Cir. 1970).....	7
<i>First Fishery Dev. Serv., Inc. v. Lane Labs USA, Inc.</i> , CIV. 97-1069-R, 1997 WL 579165 (S.D. Cal. July 21, 1997)	12
<i>Gov't Emp. Ins. Co. v. Dizol</i> , 133 F.3d 1220 (9th Cir. 1998) (<i>en banc</i>).....	12
<i>Gribin v. Hammer Galleries, a Div. of Hammer Holding, Inc.</i> , 793 F. Supp. 233 (C.D. Cal. 1992)	13
<i>Huth v. Hartford Ins. Co.</i> , 298 F.3d 800 (9th Cir. 2002)	6, 11
<i>Kokkonen v. Guardian Life Ins. Co.</i> , 511 U.S. 375 (1994)	5
<i>Martin Marietta Aluminum, Inc. v. Gen. Elec. Co.</i> , 586 F.2d 143 (9th Cir. 1978).....	9
<i>McNutt v. General Motors Acceptance Corp.</i> , 298 U.S. 178 (1936)	5

1	<i>MedImmune, Inc. v. Genentech, Inc.</i> ,	
2	549 U.S. 118 (2007)	5
3	<i>Pasquale v. Citibank (South Dakota), N.A.</i> ,	
4	No. C 11-4299 PSG, 2011 WL 5574946 (N.D. Cal. Nov. 16, 2011)	7
5	<i>Savage v. Glendale Union High School</i> ,	
6	343 F.3d 1036 (9th Cir. 2003).....	6
7	<i>Sparling v. Hoffman Const. Co., Inc.</i> ,	
8	864 F.2d 635 (9th Cir. 1988).....	9
9	<i>St. Clair v. City of Chico</i> ,	
10	880 F.2d 199 (9th Cir. 1989).....	5
11	<i>Tempco Elec. Heater Corp. v. Omega Eng'g, Inc.</i> ,	
12	819 F.2d 746 (7th Cir. 1987).....	12
13	<i>Texas v. United States</i> ,	
14	523 U.S. 296 (1998)	11
15	<i>Transcore, LP v. Northern Lakes Data Corp.</i> ,	
16	No. 08CV0717-LAB (RBB), 2008 WL 2489836 (S.D. Cal. June 18,	
17	2008).....	7
18	<i>Wilton v. Seven Falls Co.</i> ,	
19	515 U.S. 277 (1995)	6, 11
20	STATUTES	
21	28 U.S.C. § 2201	5

I. INTRODUCTION

This is an action for declaratory judgment. Plaintiffs request declarations that (i) a patent licensing dispute between the parties is subject to binding arbitration, and (ii) plaintiffs’ position on the merits of the dispute subject to arbitration is correct. Neither declaratory judgment claim is justiciable, so both must be dismissed for lack of subject matter jurisdiction. Moreover, even were this Court to find a justiciable controversy, it should exercise its substantial discretion under the Declaratory Judgment Act to decline to hear plaintiffs’ claims.

Plaintiffs filed this suit before defendant Promega Corporation (“Promega”) had even received or had the opportunity to consider plaintiffs’ demand for arbitration. Nevertheless, as explained below, Promega has unconditionally agreed to arbitrate the parties’ licensing dispute. Accordingly, plaintiffs’ first claim for declaratory relief is moot—the parties are proceeding to arbitration and there is simply no dispute on that score for the Court to resolve. In the second claim, plaintiffs paradoxically ask the Court to declare that the position they intend to press in the impending arbitration is substantively correct. But as plaintiffs have conceded, whether or not their position on the merits of the licensing dispute is correct is an issue to be decided in arbitration. Accordingly, plaintiffs’ second claim for declaratory relief is either moot or unripe for judicial review. Either way, subject matter jurisdiction is absent.

For the reasons discussed below, Promega respectfully asks this Court to dismiss plaintiffs’ complaint for lack of subject matter jurisdiction, or to decline to hear plaintiffs’ declaratory judgment claims.

II. BACKGROUND

Plaintiffs seek two declaratory judgments in this action. First, plaintiffs seek a declaration that a patent licensing dispute between plaintiff Invitrogen IP Holdings, Inc. (“IIPH”) and Promega “should be addressed in binding arbitration” pursuant to the provisions of a 1996 patent licensing agreement (“the 1996

Agreement”). Compl. ¶ 35. Second, plaintiffs seek a judicial declaration that, under their interpretation of the scope of the 1996 Agreement, they have a license to a patent covered by that agreement, and the license renders non-infringing plaintiffs’ new products, called AuthentiFiler™, that are used for “cell line authentication/identification” purposes. Compl. ¶¶ 21-22, 37. Thus, plaintiffs perversely seek a declaration that the parties’ licensing dispute should be decided in binding arbitration *and* a judicial declaration that plaintiffs’ position on the merits of that very dispute is correct.

A. The 1996 Patent Licensing Agreement and the ’984 Patent

The 1996 Agreement concerns, *inter alia*, U.S. Patent No. Re 37,984 (“the ’984 patent”), which is entitled “Process for Analyzing Length Polymorphisms in DNA Regions.” Compl. ¶ 2; Day Decl. at Ex. 1 (copy of ’984 patent).¹ More specifically, the ’984 patent relates to the analysis of STR (short tandem repeat) loci for genetic analysis. Genetic analysis using STRs has a host of applications in, for example, research, forensics, paternity determination and medicine. *See, e.g.*, Compl. ¶¶ 18-19. The 1996 Agreement grants Promega certain exclusive rights to the ’984 patent. *See, e.g., id.* ¶ 15. Plaintiff IIPH also retains certain rights to the ’984 patent under the agreement. The parties dispute the scope of the rights that plaintiff IIPH and its affiliates retain in the ’984 patent under the terms of the 1996 Agreement.

B. The Arbitration Demand

The 1996 Agreement contains an arbitration clause applicable to “controversies or disputes arising out of or relating to” the agreement. *See* Compl. ¶ 22. In the complaint, plaintiffs “ask[] the Court to declare that the instant licensing agreement dispute should be addressed in binding arbitration.” Compl. ¶ 26. On December 17, 2012, the same date plaintiffs filed the complaint in this

¹ The ’984 patent is also referred to as “the Tautz patent” for the name of the second listed inventor, Diethard Tautz.

1 action, plaintiff IIPH sent Promega a letter demanding arbitration of the question
 2 whether, “pursuant to the terms of the June 19, 1996 License Agreement” IIPH
 3 “and its affiliates remain licensed to practice” the ’984 patent “for cell line
 4 authentication/identification uses.” Day Decl. Ex. 2.² In particular, as in its
 5 complaint, in the letter IIPH demanded to arbitrate the question whether it retained
 6 rights under the 1996 Agreement sufficient to cover its new AuthentiFiler™
 7 products. *See id.*

8 On January 4, 2013, Promega wrote to IIPH seeking additional information
 9 necessary to determine whether there was “an arbitrable dispute concerning the
 10 AuthentiFiler™ products” and to establish “the parameters of that dispute.” Day
 11 Decl. Ex. 3 (1/4/13 letter from Harth to Reines). On January 18, 2013, plaintiff
 12 IIPH responded by letter. IIPH reiterated that it “demanded arbitration of the
 13 specific question of whether [it] and its affiliates remain licensed to practice U.S.
 14 Patent No. Re 37,984 for cell line authentication/identification uses under the” 1996
 15 Agreement. Day Decl. Ex. 4 (1/18/2013 letter from Reines to Harth). IIPH
 16 contended that the questions posed in Promega’s January 4 letter were “irrelevant”
 17 to the arbitration demand, but stated that “even if such information was needed by
 18 Promega to assess arbitrability,” the information could be found in plaintiffs’
 19 December 17, 2012 complaint filed in this Court, on plaintiff Life Technology
 20 Corporation’s (“Life Tech”) website, in “other publically available materials,” and
 21 in the 1996 Agreement itself. *Id.* Finally, IIPH stated that in view of what it
 22 deemed “Promega’s non-response to the Arbitration Demand,” IIPH would refuse
 23 “to name an arbitrator on January 25th (which would otherwise be the deadline for
 24 the exchange of such information pursuant to the License Agreement).” *Id.*

25 On February 19, 2013, Promega filed a suit for patent infringement against
 26 Life Tech and Applied Biosystems, LLC (“ABLLC”), in the United States District
 27 Court for the Western District of Wisconsin, alleging that the defendants’

28 ² Promega did not receive the arbitration demand until December 26, 2012.

1 AuthentiFiler™ products directly infringe the '984 patent and that defendants
 2 induce infringement of that patent. Day Decl. Ex. 5 (Wisconsin complaint). On
 3 February 28, 2013, IIPH again wrote Promega. Day Decl. Ex. 6 (2/28/2013 letter
 4 from Reines to Harth). IIPH took note of the filing of the Wisconsin suit, and
 5 reiterated its demand that IIPH and Promega arbitrate “the rights retained by IIPH,
 6 and its affiliates . . . [to] the Tautz Patent and the scope of the rights exclusively
 7 licensed to Promega under the 1996 Agreement.” *Id.*

8 On the following day, Promega responded to IIPH’s arbitration demand.
 9 Day Decl. Ex. 7 (3/1/2013 letter from Harth to Reines). Specifically, Promega
 10 stated that it “agree[d] to arbitrate any and all disputes regarding the scope of rights
 11 under the 1996 License Agreement and will not pursue the new Wisconsin action
 12 until the arbitration has been resolved.” *Id.* Promega also agreed “to join [the
 13 Wisconsin defendants] in seeking a stay of the new Wisconsin action pending
 14 resolution of the arbitration.” *Id.*³ Consistent with this commitment, on April 10,
 15 2013, Promega, Life Tech and ABLLC jointly moved the Wisconsin district court
 16 for a stay pending arbitration. Day Decl. Ex. 8. As the parties acknowledged in
 17 their joint stay motion, the “imminent arbitration proceedings pursuant to the June
 18 1996 License Agreement will address the scope of rights that IIPH and each of the
 19 parties to [the Wisconsin] action have in the Tautz Patent.” *Id.* at ¶ 2.

20 **III. ARGUMENT**

21 This Court lacks subject matter jurisdiction over plaintiffs’ claims for
 22 declaratory relief. The claims should therefore be dismissed pursuant to Fed. R.
 23 Civ. P. 12(b)(1). The claims in plaintiffs’ complaint have been either mooted by
 24 Promega’s unconditional agreement to arbitrate disputes related to the scope of the
 25 parties’ rights under the 1996 Agreement, or are unripe for judicial review.

26 ³ In its March 1 letter, Promega also told IIPH that in light of the parties’ express
 27 agreement to arbitrate, Promega “believe[d] that the litigation involving the Tautz
 28 patent in the Southern District of California is moot and should be dismissed.” Day
 Decl. Ex. 7.

Moreover, even if the Court were to conclude that subject matter jurisdiction exists, it should exercise its discretion to decline to hear plaintiffs' declaratory judgment claims.

A. Legal Standards

Under Federal Rule of Civil Procedure 12(b)(1), a complaint must be dismissed where the court lacks subject matter jurisdiction over the claims. The Declaratory Judgment Act, which governs both of plaintiffs' claims in this case, expressly requires that an "actual controversy" exist before a court may decide whether to grant declaratory relief. 28 U.S.C. § 2201. "The 'actual controversy' requirement of the Act is the same as the 'case or controversy' requirement of Article III of the United States Constitution." *Aydin Corp. v. Union of India*, 940 F.2d 527, 528 (9th Cir. 1991) (internal quotations and citation omitted); *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007) ("[T]he phrase 'case of actual controversy' in the Act refers to the types of 'Cases' and 'Controversies' that are justiciable under Article III."). "A justiciable controversy is ... distinguished from a difference or dispute of a hypothetical or abstract character; from one that is academic or moot." *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 240 (1937). Additionally, "[i]n order for a case to be justiciable under Article III of the Constitution, it must be ripe for review." *Aydin Corp.*, 940 F.2d at 528.

The plaintiff bears the burden of proving facts establishing subject matter jurisdiction. *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375, 377 (1994); *McNutt v. General Motors Acceptance Corp.*, 298 U.S. 178, 189 (1936). "In support of a motion to dismiss under Rule 12(b)(1), the moving party may submit 'affidavits or any other evidence properly before the court. ... It then becomes necessary for the party opposing the motion to present affidavits or any other evidence necessary to satisfy its burden of establishing that the court, in fact, possesses subject matter jurisdiction.'" *Colwell v. Dep't of Health & Human Servs.*, 558 F.3d 1112, 1121 (9th Cir. 2009) (quoting *St. Clair v. City of Chico*, 880

1 F.2d 199, 201 (9th Cir. 1989) (“The district court obviously does not abuse its
 2 discretion by looking to this extra-pleading material in deciding the [jurisdictional]
 3 issue, even if it becomes necessary to resolve factual disputes.”)); *see also*
 4 *Savage v. Glendale Union High School*, 343 F.3d 1036, 1039 n.2 (9th Cir. 2003)
 5 (“In evaluating [a] Rule 12(b)(1) motion to dismiss” the court may “look beyond
 6 the complaint” to affidavits and other evidence).

7 Quite apart from the jurisdictional mandates of Article III, “[s]ince its
 8 inception, the Declaratory Judgment Act has been understood to confer on federal
 9 courts unique and substantial discretion in deciding whether to declare the rights of
 10 litigants.” *Wilton v. Seven Falls Co.*, 515 U.S. 277, 286 (1995). *See also Huth v.*
 11 *Hartford Ins. Co.*, 298 F.3d 800, 802 (9th Cir. 2002) (the “exercise of jurisdiction
 12 under the Federal Declaratory Judgment Act is committed to the sound discretion of
 13 the federal district courts”). Thus, “district courts possess discretion in determining
 14 whether and when to entertain an action under the Declaratory Judgment Act, even
 15 when the suit otherwise satisfies subject matter jurisdictional prerequisites.”
 16 *Wilton*, 515 U.S. at 282; *Huth*, 298 F.3d at 802. Indeed, the “statute’s textual
 17 commitment to discretion, and the breadth of leeway we have always understood it
 18 to suggest, distinguish the declaratory judgment context from other areas of law in
 19 which concepts of discretion surface.” *Wilton*, 515 U.S. at 286-87.

20 **B. Count I of Plaintiffs’ Complaint, Seeking a Declaration that the Parties’**
 21 **Licensing Dispute Should Be Resolved by Arbitration, Is Moot**

22 In Count I of the complaint, plaintiffs seek a “judicial declaration that the
 23 instant licensing agreement dispute should be addressed in binding arbitration
 24 pursuant to Section 22.0 of the June 1996 Licensing Agreement.” Compl. ¶ 35.
 25 Promega has unconditionally agreed to arbitrate that dispute, rendering Count I of
 26 the complaint moot. Specifically, in response to plaintiff IIPH’s demand for
 27 arbitration, which was served simultaneously with the complaint in this case,
 28 Promega has “agree[d] to arbitrate any and all disputes regarding the scope of rights

1 under the 1996 License Agreement.” Day Decl. Ex. 7. Promega has also agreed to
 2 stay, pending the outcome of the arbitration, its own action filed in the Western
 3 District of Wisconsin which involves, *inter alia*, the scope of the parties’ rights
 4 under the 1996 Agreement.⁴ *Id.* at Ex. 5.

5 Claims seeking a declaration that a dispute is subject to arbitration are
 6 rendered moot by the parties’ voluntary agreement to arbitrate. *Transcore, LP v.*
 7 *Northern Lakes Data Corp.*, No. 08CV0717-LAB (RBB), 2008 WL 2489836, at *2
 8 (S.D. Cal. June 18, 2008) (dismissing as moot claim for declaration of arbitrability
 9 where “[a]ny dispute that may have existed over whether the obligation to arbitrate
 10 governs the issued presented in the Complaint appears to have been resolved”);
 11 *Pasquale v. Citibank (South Dakota), N.A.*, No. C 11-4299 PSG, 2011 WL
 12 5574946, at *3 (N.D. Cal. Nov. 16, 2011) (where defendant agreed to arbitrate,
 13 plaintiffs suit to compel arbitration dismissed as moot because “there is no active
 14 case or controversy for the court to adjudicate. The court is thus without subject
 15 matter jurisdiction to adjudicate [plaintiff’s] claims.”); *Comm’n Workers of Am. v.*
 16 *S. Bell Tel. Co.*, 419 F.2d 1310, 1311 (5th Cir. 1970) (where complaint sought
 17 declaration of arbitrability and the defendant “offered, and continues to offer, to
 18 arbitrate” any “further relief by this court would be an advisory opinion prohibited
 19 by the United States Constitution, Article III, § 2”).

20 Plaintiffs do not appear to disagree. In support of its pending motion to
 21 compel arbitration, plaintiff IIPH states the following:

22
 23 Plaintiffs’ Complaint includes just two requests for relief.
 24 First, it includes a request for declaratory judgment that
 25 the dispute between the parties should be arbitrated. The
 26 arbitration will resolve this question conclusively and no
 further litigation will be necessary.

27 ⁴ Promega’s claims in that suit are broader than plaintiffs’ claims here, and the
 28 arbitration panel’s decision will therefore not be dispositive of all issues in
Promega’s suit in the Western District of Wisconsin.

1 Mem. of Points and Authorities in Supp. of Plf. Invitrogen IP Holdings, Inc.’s Mot.
 2 to Compel Arbitration & Stay the Pending Litigation (“Plf. IIPH’s Mot. to Compel
 3 Arbitration”), Dkt. 11-1, at 14. Thus, now that the parties have expressly agreed to
 4 arbitration, “no further litigation will be necessary” with respect to Count I of the
 5 complaint. *Id.*

6 Although in its moving papers plaintiff IIPH contends a court order
 7 compelling arbitration is necessary because “Promega’s agreement to arbitrate
 8 *appeared* conditioned on Plaintiffs first agreeing to certain terms regarding the
 9 venue for any post-arbitration litigation among the parties regarding the Tautz
 10 patent,” *id.* at 8 (emphasis added), this is simply not the case. To the contrary,
 11 Promega has “agree[d] to arbitrate any and all disputes regarding the scope of rights
 12 under the 1996 License Agreement.” Day Decl. Ex. 7. While Promega takes the
 13 position that any proceedings following the arbitration should be venued in
 14 Wisconsin, its agreement to arbitrate is not now—and never has been—contingent
 15 on plaintiffs agreeing with that position.⁵ Accordingly, Count I of the complaint
 16 must be dismissed as moot.

17 **C. Count II of Plaintiffs’ Complaint, Seeking a Declaration That Plaintiffs’**
 18 **AuthentiFiler™ Products Are Licensed Under the ’984 Patent and Thus**
 19 **Do Not Infringe, Is Either Moot or Unripe for Review**

20 ⁵ In support of its pending motion to compel arbitration, plaintiff IIPH intimates
 21 that Promega’s agreement to stay its Wisconsin action pending arbitration is
 22 similarly contingent “on Plaintiffs first agreeing that any post-arbitration litigation
 23 take place in Wisconsin.” Plf. IIPH’s Mot. to Compel Arbitration, Dkt. 11-1 at 8.
 24 This too is incorrect, as evidenced by the parties’ jointly-filed motion to stay the
 25 Wisconsin action. *See* Day Decl. Ex. 5. Moreover, plaintiff IIPH’s brief in support
 26 of its motion to compel arbitration is internally inconsistent on this point. IIPH first
 27 argues that arbitration must be compelled because the agreement to stay the
 28 Wisconsin case “appear[s]” to be merely conditional, Plf. IIPH’s Mot. to Compel
 Arbitration at 8, but argues later in the same brief that a stay of this action is
 appropriate because “Promega has even agreed to join Life in seeking a stay of its
 recently filed Wisconsin action pending resolution of the arbitration.” *Id.* at 14 n.6.
Plaintiffs cannot have it both ways.

1 In Count II of the complaint, plaintiffs seek a declaratory judgment that
 2 pursuant to the 1996 Agreement they retain a license under the '984 patent for "cell
 3 line authentication/identification" uses, and that the retained license is sufficient to
 4 render plaintiffs' new AuthentiFiler™ products non-infringing. Compl. ¶ 37; *see*
 5 *also* Plf. IIPH's Mot. to Compel Arbitration, Dkt. 11-1 at 14. Plaintiffs thus take
 6 the paradoxical position that they are entitled to a declaratory judgment from this
 7 court that the position they intend to press in the arbitration—that under the terms
 8 of the 1996 Agreement they are licensed to practice the '984 patent for "cell line
 9 authentication/identification" uses—is correct.

10 On the one hand, plaintiffs appear to concede that Count II is moot now that
 11 the parties have agreed to arbitrate this dispute. As plaintiffs candidly acknowledge
 12 in their motion to compel arbitration, the arbitration "will determine the scope of
 13 Promega's limited exclusive rights—and by extension, the scope of the rights
 14 retained by IIPH and its affiliates," and therefore by definition "the arbitration
 15 determination will address the second claim for relief in Plaintiffs' Complaint."
 16 Plf. IIPH's Mot. to Compel Arbitration, Dkt. 11-1 at 14; *see also id.* at 14 n.6
 17 (stating that "at a minimum, the arbitration will have a very strong, if not
 18 dispositive, effect on" plaintiffs' claim for a declaration of non-infringement).

19 If, as plaintiffs contend, the arbitration will be dispositive of their request for
 20 a declaration of non-infringement, then the parties' agreement to arbitrate that
 21 dispute has rendered Count II of plaintiffs' complaint moot. *Cf. Sparling v.*
 22 *Hoffman Const. Co., Inc.*, 864 F.2d 635, 638 (9th Cir. 1988) (dismissing plaintiffs'
 23 claims that were subject to arbitration); *Martin Marietta Aluminum, Inc. v. Gen.*
 24 *Elec. Co.*, 586 F.2d 143, 147-48 (9th Cir. 1978) (upholding summary dismissal of
 25 plaintiffs' claims where "[t]he language contained in the arbitration provision is
 26 sufficiently broad to bar all of plaintiff's claims"); *Charles M. Brewer Ltd. Restated*
 27 *Pension Plan v. Reish Luftman McDaniel & Reicher PC*, No. CV-11-02363-PHX-
 28 FJM, 2012 WL 129808, at *2 (D. Ariz. Jan. 17, 2012) (dismissing claims subject to

1 arbitration). On the other hand, if plaintiffs now contend that the arbitration may
 2 not to be dispositive (a situation hard to imagine at this juncture), whatever aspects
 3 of Count II might remain for this Court to resolve are a matter of pure speculation.
 4 In this circumstance, Count II of plaintiffs' complaint is not ripe for judicial review.

5 As the Court of Appeals for the Ninth Circuit has observed, "Article III
 6 requires that there be a substantial controversy ... of sufficient immediacy and
 7 reality to warrant the issuance of a declaratory judgment." *Aydin Corp.*, 940 F.2d
 8 at 528 (citation and internal quotations omitted) (emphasis added by the Ninth
 9 Circuit). "To determine whether a case is ripe, we consider two factors: the fitness
 10 of the issues for judicial decision, and the hardship to the parties of withholding
 11 court consideration." *Addington v. US Airline Pilots Assoc.*, 606 F.3d 1174, 1179
 12 (9th Cir. 2010) (citations and internal quotations omitted). "A question is fit for
 13 decision when it can be decided without considering 'contingent future events that
 14 may or may not occur as anticipated, or indeed may not occur at all.'" *Id.* (citation
 15 omitted). "'To meet the hardship requirement, a litigant must show that
 16 withholding review would result in 'direct and immediate' hardship and would
 17 entail more than possible financial loss.'" *Id.* at 1180 (citation omitted).

18 In *Aydin Corp.*, the plaintiff sought a declaratory judgment that any future
 19 award against it stemming from an arbitration underway in India would be
 20 unenforceable in the United States. 940 F.2d at 527. The district court dismissed
 21 the declaratory judgment claim on ripeness grounds, and the court of appeals
 22 affirmed, concluding there was no subject matter jurisdiction. *Id.* The declaration
 23 requested by the plaintiff was too "speculative" because, among other things, it was
 24 unclear which party would prevail in the arbitration. *Id.* at 528. Indeed, if the
 25 plaintiff prevailed in the Indian arbitration, there would be "no award to enforce."
 26 *Id.*

27 Here too, whether plaintiffs will ultimately be entitled to the declaration they
 28 seek in Count II of the complaint is entirely speculative because that question is to

1 be resolved in binding arbitration. Although plaintiffs may believe they will prevail
 2 in the impending arbitration, certainly if *Promega* prevails plaintiffs will not be
 3 entitled to “a judicial declaration that [plaintiffs] have retained all rights in the June
 4 1996 License Agreement and under the ’984 patent related to cell line
 5 authentication/identification” uses sufficient to immunize AuthentiFiler™ from
 6 infringement liability. Compl. ¶ 37; see *Texas v. United States*, 523 U.S. 296, 300
 7 (1998) (“A claim is not ripe for adjudication if it rests upon contingent future events
 8 that may not occur as anticipated, or indeed may not occur at all.”) (citation and
 9 internal quotations omitted); *Addington*, 606 F.3d at 1179 (same). Because
 10 plaintiffs admit that “the arbitration determination will address the second claim for
 11 relief in Plaintiff’s Complaint,” Plf. IIPH’s Mot. to Compel Arbitration, Dkt. 11-1
 12 at 14, the request for a declaratory judgment in plaintiffs’ favor on that very issue is
 13 not fit for judicial decision and “this case’s time has not yet come.” *Aydin Corp.*,
 14 940 F.2d at 528. Likewise, plaintiffs will suffer no “direct and immediate”
 15 hardship by waiting until the conclusion of the very arbitration proceeding that
 16 plaintiff IIPH initiated before bringing suit, a fact plaintiffs conceded by moving to
 17 stay the proceedings pending arbitration.⁶ *Addington*, 606 F.3d at 1180.
 18 Accordingly, Count II must be dismissed for lack of subject matter jurisdiction
 19 because it is unripe for judicial review.

20 **D. This Court Should Exercise its Discretion to Decline to Hear Plaintiffs’**
 21 **Declaratory Judgment Claims**

22 It is a “well-accepted rule that the decision whether to exercise jurisdiction
 23 over a declaratory action lies in the sound discretion of the district court.” *Huth*,
 24 298 F.3d at 803. Accordingly, in “the declaratory judgment context, the normal
 25 principle that federal courts should adjudicate claims within their jurisdiction yields
 26 to considerations of practicality and wise judicial administration.” *Wilton*, 515 U.S.

27 _____
 28 ⁶ See Pls.’ Mot. to Compel Arbitration and Stay the Pending Litigation, No. 3:12-
 cv-02987 (S.D. Cal. Mar. 6, 2013) (Dkt. No. 11-1).

1 at 288. For example, a district court may decline to hear declaratory judgment
 2 claims based on “the availability and relative convenience of other remedies” or to
 3 “avoid duplicative litigation.” *Gov’t Emp. Ins. Co. v. Dizol*, 133 F.3d 1220, 1225 &
 4 n.5 (9th Cir. 1998) (*en banc*). Here, even if the Court were to find that it has
 5 subject matter jurisdiction over the two declaratory judgment Counts in plaintiffs’
 6 complaint, wise judicial administration counsels against entertaining those claims.

7 As discussed above, plaintiffs concede that the parties’ impending arbitration
 8 will effectively resolve all the issues raised in both Counts of the complaint. It is
 9 self-evident that no judicial declaration of arbitrability is required from this Court
 10 (as requested in Count I) when the parties have unequivocally agreed to arbitrate
 11 the licensing disputes arising from the 1996 Agreement. As for Count II, which
 12 seeks a declaratory judgment that plaintiffs’ AuthentiFiler™ products are licensed
 13 under the ’984 patent, plaintiffs have conceded that the arbitration will address that
 14 claim as well. *See* Plf. IIPH’s Mot. to Compel Arbitration, Dkt. 11-1 at 14; *supra* at
 15 § III(C).

16 Furthermore, as explained in Promega’s Rule 1404(a) motion to transfer
 17 venue, IIPH filed this declaratory judgment action to preempt Promega, as a
 18 “natural plaintiff,” from filing a direct enforcement action in the forum of
 19 Promega’s choosing. Courts routinely dismiss declaratory judgment actions that
 20 have been “artfully plead” so as to deprive a natural plaintiff of its choice of forum.
 21 *See, e.g., Tempco Elec. Heater Corp. v. Omega Eng’g, Inc.*, 819 F.2d 746, 749 (7th
 22 Cir. 1987) (holding that “[w]here, as here, the declaratory judgment action is filed
 23 in anticipation of an infringement action, the infringement action should proceed,
 24 even if filed four days later” and affirming dismissal); *First Fishery Dev. Serv., Inc.*
 25 *v. Lane Labs USA, Inc.*, CIV. 97-1069-R, 1997 WL 579165, at *2, *3 (S.D. Cal.
 26 July 21, 1997) (noting that “numerous courts have acknowledged the
 27 appropriateness of declining to hear an action for declaratory relief that was filed in
 28 anticipation of another federal suit” and refusing to “countenance such preemptive

forum shopping”); *Gribin v. Hammer Galleries, a Div. of Hammer Holding, Inc.*, 793 F. Supp. 233, 237 (C.D. Cal. 1992) (finding that where Plaintiff “artfully filed [declaratory judgment] action as a preemptive maneuver in anticipation of his defense and in order to seize a California forum, this Court hereby exercises its discretion to dismiss this action.”). This Court should thus dismiss this declaratory judgment action in order to conserve judicial resources and avoid duplicative proceedings.

IV. CONCLUSION

For all of the forgoing reasons, Promega respectfully requests that this Court dismiss the complaint for lack of subject matter jurisdiction or, alternatively, exercise its discretion to decline to hear plaintiffs’ declaratory judgment claims.

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